

A vibrant stained glass artwork depicting a cityscape. The left side features a tall yellow structure, possibly a tower or bridge pylon, with blue and green sections. The center shows a large blue structure with a white roof and red and blue rectangular patterns. The right side is a lighter, more abstract representation of buildings in shades of blue, yellow, and brown. The entire image is composed of various colored glass pieces separated by dark lead lines.

Federal Transit Administration

1996 Report



U.S. Department of Transportation
Federal Transit Administration

Annual econom

Since the 1970s, transit trips
from suburban homes to
central city jobs have
increased by **53 percent**.

Additional annu

Percentage of Fortune 500 companies
headquartered in transit
intensive metropolitan
areas: **40**

These companies generat
over **\$2 trillion** in
annual revenues

Federal Express and UPS report
that 5 minutes of traffic
delays a day cost them
\$40 million a year

loss to U.S. business caused by
traffic congestion: **\$40 billion**

economic loss if all U.S. transit
commuters drove instead: **\$15 billion**

Number of passengers that can be carried
on a single U.S. subway line in an
hour: **30,000**

Number of additional high-
way lanes that
would be needed if
these riders drove
instead: **10**



Our nation faces many transportation challenges, from managing traffic growth to ensuring access to jobs and sustaining our environment for future generations. Public transit can help America meet these needs by providing high-quality service in congested corridors, offering low-cost transportation access for millions of Americans, and supporting pedestrian-oriented business districts and neighborhoods. This report — FTA 1996 report — introduces estimates of the value of these benefits to the American people. For many years, these benefits have gone unnoticed. The findings presented here are the foundation for addressing future transportation needs in the United States.

Gordon J. Linton, Federal Transit Administrator

The benefits of public transit include: providing an affordable, high-quality alternative to the automobile for commuting to work and other travel; reducing traffic congestion and improving travel time for motorists; less auto-related air pollution and fuel consumption; low-cost mobility for people who cannot afford to own or are unable to drive a car; and increased neighborhood vitality and productivity of business centers.

Given such a menu of advantages, it is hardly surprising that numerous reports, studies and evaluations of the past decade have called for an increase in transit services. The passage in 1991 of the Intermodal Surface Transportation Efficiency Act (ISTEA) — allowing Federal funds previously restricted for highways to be spent on transit — was a major step in a positive direction. But even ISTEA could not entirely correct the underfunding of transit, and now Federal dollars have been cut for the first time in the ISTEA era, down 12 percent for FY 1996 from FY 1995 levels.

We already are feeling the effects of the funding cuts. Transit systems across the country have had to raise fares and reduce service, impelling travelers to use their services less often. Inevitably this puts additional cars on the roads, increasing congestion, pollution, and fuel consumption. Older business centers, already suffering from inadequate upgrading of their transit systems, are becoming less desirable places to locate. The eventual impact on competitiveness and jobs is inescapable.

If all the Americans who take transit to work decided to drive, their cars would circle the Earth with a line of traffic 23,000 miles long.

Transit Reduces Traffic Congestion and Improves the Entire Transportation System

Since Federal support for transit began 30 years ago, rail transit services have grown to help meet increasing rush hour travel demand. The number of workers commuting from suburban homes to central city jobs has nearly doubled since 1970 and transit use for these trips has increased 53 percent, virtually all the growth in transit commuting occurring in rail services. From 1984 to 1994 alone, annual rail transit patronage increased by 2.9 billion passenger miles, or 18 percent.

Continued growth in high quality transit services is essential to meet the travel demand that is forecast for the next 20 years, especially in the nation's most severely congested urban travel corridors. According to local travel forecasts assembled by U.S. DOT, overall transit patronage will increase by 22 billion passenger miles over the next 20 years.

Ten million Americans use transit each working day. Another 25 million Americans use transit less frequently but on a regular basis. By providing commuters an affordable and convenient transportation option, public transit keeps traffic congestion from

being worse for millions of motorists, whose taxes and tolls go partly to support their local transit systems. According to Federal Transit

Without transit, the nation's \$40 billion in annual traffic congestion losses would be \$15 billion higher.

Administration (FTA) analysis, the nation's \$40 billion in annual traffic congestion losses would be \$15 billion higher were it not for transit. In fact, if all the Americans who take transit to work decided to drive, their cars would circle the Earth with a line of traffic 23,000 miles long.

While diminishing roadway traffic, transit reduces auto-related pollution and fuel consumption. America's transit travel stops over 126 million pounds of hydrocarbons — a primary cause of smog — and 156 million pounds of nitrogen oxides — that cause respiratory disease and acid rain — from ever leaving the tailpipe of any automobile. Transit also reduces auto fuel consumption by approximately



What if...

What if all rail transit access to and from the island of Manhattan were eliminated and new bridges and tunnels constructed to accommodate all the new auto drivers?

To replace the 6 rail tunnels under the Hudson River and to replace the 30 rail transit tracks that link Brooklyn and Queens with Manhattan across the East River would require in excess of 120 new highway lanes to handle this traffic. To accommodate 120 new traffic lanes would require the equivalent of 20 new Brooklyn Bridges.



1.5 billion gallons annually, lowering the nation's trade deficit and reducing dependence on foreign oil.

The key role high-speed public transit plays in managing severely congested urban traffic has been recognized by leading economists for decades. A well established principle of transportation economics says that expanding highways to reduce congestion actually encourages transit passengers to become motorists. Highways grow more crowded, ultimately eliminating any travel-time

advantage driving held over transit service. So, highway improvements to relieve traffic congestion paradoxically make congestion worse.

Because investment in added highway capacity immediately produces added use of the highway, economists argue that the most effective way to reduce highway congestion is by making whatever investments are necessary to offer transit service that allows travel that is faster than by highway. Commuters then act in their own interest and choose the mode of

travel they find to be faster, namely transit. Recent research by the firm of Hickling-Lewis-Brod indicated that transit significantly improves the overall point-to-point speed of travel for both transit riders and highway users in severely congested urban travel corridors in several cities: Boston, New York, Atlanta, San Francisco, Pittsburgh, Chicago, Philadelphia, and Washington, D.C. As motorists switched from automobile commuting to transit, congestion on highways lessened and highway travel time improved. Increased transit investment in these corridors is an effective use of transportation revenues that clearly benefits motorists.

Most economists agree that an extremely effective way to reduce congestion on highways would be through "pricing." Just as moviegoers line up for evening shows despite the fact that matinees are less crowded and less expensive, most motorists would willingly pay a premium for guaranteed high-speed travel during periods of peak travel demand. Others would jump at the chance to save money by traveling at a less expensive time of the day thus relieving peak-period highway usage. In this way, pricing highways according to their value to the consumer would reduce traffic congestion.

However, imposing new roadway pricing mechanisms gen-

erates considerable political difficulty. While Americans have accepted paying tolls on certain well-defined projects that provide substantial travel improvement, such as bridges and tunnels and even some turnpikes, there are virtually no successful instances where tolls have been imposed on an existing highway facility in order to manage congestion.

Economists believe that there is an alternative to highway pricing. In congested travel corridors, it is possible to calculate the cost of transit improvements that would entice enough drivers from cars to transit to curb highway gridlock. This analysis, prepared by Hickling-Lewis-Brod, suggests that the national congestion reduction benefits of transit alone are worth at least \$15 billion each year.

Americans lose more than 1.6 million hours a day stuck in traffic.

Integration of Transportation and Land Use Planning

Most planners and elected officials see transportation and land use as a "chicken and egg" relationship. While transportation clearly shapes the demand for other types of land use, it is equally true that commercial and residential development require transportation infrastructure to provide needed access. At a very basic level, transportation facilities are a land use, and the planning of the transportation system must be more closely integrated with other types of development than in the past.

Since 1960, automobile-oriented suburban development has placed significant demands on our regional transportation systems and facilities. But for years, the resulting sprawl was tolerable, even desirable: the construction of the best highway system in the world opened up more and more of our once-rural areas to the development of moderately priced, single family housing. This afforded more and more Americans the opportunity to own their own home, yard, and a place to park their automobiles.

Today, however, transportation planners — and Americans in general — are beginning to rethink these past

development policies. Congestion continues to worsen, work commutes are getting longer, and air quality is declining in many urban areas. At the same time, public resources for new transportation facilities are decreasing. While it is becoming increasingly clear that we can't build our way out of congestion, we may be able to change land use patterns which perpetuate the kind of development that has contributed to these problems.

High density, mixed-use development around transit facilities, public-private "joint" development of transit sites, bicycle trails and supportive facilities, and safe and effective pedestrian access all help to encourage non-automobile travel. Projects supported under FTA's Livable Communities Initiative provide examples of how an inclusive, participatory planning process can lead to the development of transit supportive land use policies which enhance personal mobility and help to build stronger, more vibrant communities.



Transit Provides Low Cost Mobility

For 80 million Americans who do not drive because they are too old, too young, disabled, or cannot afford a car, transit provides low cost mobility and access to services, schools, jobs, and other economic activities. Transit offers a practical way for people to maintain power over their lives. Unfortunately, no full accounting of transit's benefits has ever been attempted beyond routine analysis of trips made by general groups considered to be disadvantaged. Such an accounting would provide the impetus to make sure that all these

Americans have access to essential transit services.

One way to assess the value of a transit trip to taxpayers, and to transit passengers, is to look at how much they would pay for the trip. Nearly three billion trips are taken each year by people who depend on transit for low-cost mobility. Recent research indicates these passengers value this access at \$30 billion dollars each year.

Low-cost mobility services today are inadequate to meet the needs of people who do not drive automobiles and rely on community and social service programs. With



increased Federal financial support for transit, numerous Federally funded entitlement programs could reduce their transportation expenses by substituting transit for separate in-house services. It is estimated that \$352 billion in Federal entitlement programs are affected by the availability of low-cost transit mobility services for their clients. In just four major Federal programs — Medicare, Medicaid, Food Stamps, and Unemployment Compensation — each dollar invested in low-cost mobility services reduces the cost of these programs by an average of 60 cents. This benefit is on top of the \$30 billion in financial benefit to low income households.

Transit Increases the Productivity of Business Centers and the Value of Neighborhoods

American cities like New York, Chicago, Los Angeles, Philadelphia and Dallas compete in the global marketplace for a vast array of commodities, financial services, commercial ideas, finished products, fashions, art, entertainment, publishing, and human skills. Obviously, there is a clear national interest in locating as much of this economic activity as possible in these and other U.S. cities. But these marketplaces require quality transit, much better than what exists today, to continue to compete effectively with foreign cities.

In addition to creating wealth for the people and businesses directly involved, these marketplaces also create jobs. Almost half of all Fortune 500 companies, representing over \$2 trillion in annual revenue, are headquartered in America's transit-intensive metropolitan areas. There are few national interests more vital than supporting the power of U.S. cities to generate jobs across the country.

Transit ensures the vitality of commercial centers in central cities and in surrounding "edge cities" by providing fast, convenient and efficient access for large numbers of people. The value that people who converge in these

To lower our nation's health-care costs, it is preferable that non-driving outpatients travel to health care facilities by the cheapest means possible, which is usually transit. The alternative may be expensive taxi, or extremely costly ambulance service. For instance, transit vans carry thousands of Americans to and from dialysis treatment, saving their families and communities **\$200 to \$400 per round-trip in ambulance services.**

cities to conduct business place on their time tends to be very high, especially if they come from another city or country. The commercial sections of these cities are crowded during business hours, requiring travel options that accommodate frequent contacts. In some of these districts, businesses are located on top of each other in skyscrapers, and the miles of elevator shafts exceed miles of roadway. The World Trade Center in New York accommodates 50,000 workers in two office buildings. When hundreds of such vertical "Main Streets" empty at lunchtime or at the end of the



Americans Depend on Transit

Millions of Americans use and benefit from public transit, but some Americans have fewer transportation options than others:

32 million senior citizens increasingly rely on transit as their driving ability decreases with age.

24 million people with disabilities need transit to maintain their independence. Otherwise they must depend on expensive private service for transportation.

37 million people living below the poverty line often cannot afford a car and rely on transit to reach their jobs.

56 million children under driving age travel farther to schools than ever before. Many depend on transit to participate in educational and extracurricular activities.



workday, extraordinary numbers of people need to be moved all at once. A single subway line, like those in New York City, Washington, D.C., or Chicago, can carry 30,000 passengers per hour in each direction, roughly three times the passengers carried on a busy ten lane freeway in the same hour.

Residential areas with a variety of commercial activities within walking distance of transit are known to transportation planners as "livable communities." The benefits of residing in such communities are substantial. For individuals placing a high value on their time, convenient access to numerous economic activities is decisive. Residents in these livable neighborhoods spend less time getting places, tend to have more socially cohesive communities, and enjoy numerous other advantages. Nationwide, such communities have effectively resisted developments that threaten the quality of the neighborhood. High property values in such neighborhoods, other factors being equal, reflect the benefits residents receive.

Metropolitan areas with substantial walkable neighborhoods also generate fewer vehicle miles of travel (VMT) than areas that are more auto oriented. Fewer VMT means lower air pollution and other undesirable side-effects of auto travel. FTA calculates that the 80 million Americans who live in transit-intensive metropolitan areas save \$20 billion in auto costs each year. They also have travel patterns that result in less pollution, emitting 200

million fewer pounds of hydrocarbons and 272 million fewer pounds of nitro-gen oxides annually.

Transit serves as a vital thread in the interwoven fabric of urban infrastructure. Like school teachers, firefighters, police officers, and other public servants, transit professionals are a crucial yet often overlooked source of civic safety and well-being.

Infrastructure investment is often under-funded because it is often under-valued. The most important reason infrastructure is undervalued is the difficulty of tracing the benefits that flow from infrastructure and properly attaching value to these benefits. Yet when a Civil War-era water main ruptures under a city street, or a nineteenth century bridge collapses because of deferred maintenance, the folly of ignoring infrastructure investment — and re-investment — becomes painfully clear.

Transit service is invaluable in emergency situations. For example, in 1989, the San Francisco Bay Area Rapid Transit System (BART) played a key role when the area's bridges and

freeways were devastated by the Loma Prieta earthquake. During the month that the San Francisco-Oakland Bay Bridge was closed, BART ridership rose from 200,000 per day to over 320,000 per day. After the Bay Bridge reopened, BART ridership stayed at about 250,000 per day, retaining over one third of the new ridership generated during the emergency. Similarly, in 1994, transit came to the rescue of Los Angeles after the Northridge earthquake immobilized many motorists. Finally, in 1994, following an underground tunnel flood in Chicago, transit moved over 750,000 people in less than two hours without incident.



Living Close to Transit is Money in the Bank

Households located in a typical livable community save an average of approximately \$250 per month in auto costs as compared to households in auto-oriented areas. With an estimated 5,000 households within one-half mile of each of the nation's 1,375 rapid and light rail transit stations, this amounts to a total national transportation cost savings of \$20 billion per year.

Location Efficient Mortgages

The Federal Transit Administration has joined with the Environmental Protection Agency, the Department of Housing and Urban Development, and private organizations to study the prospects of "Location Efficient Mortgages" (LEMs). Modeled on Energy Efficient Mortgages, LEMs would increase the borrowing power of businesses and households based on the monthly transportation savings that typify businesses and households located in walkable neighborhoods. It is estimated that the adoption of LEMs by the home loan industry could generate \$300 billion in new loans over a seven-year period to households located in transit-intensive neighborhoods.

Transit Conditions and Investment Needs

Investment levels can determine whether transit succeeds in alleviating congestion, ensuring low-cost basic mobility, and creating livable cities. Congress requires the Department of Transportation to prepare a biennial report on transportation investment requirements. U.S. DOT recently issued the 1995 edition of this report called the *Status of the Nation's Surface Transportation System: Conditions and Performance*. It reviews the condition of the nation's highways and transit systems and establishes the investment levels necessary to maintain and improve transportation in the United States.

United States Transit

Mode	Systems	Vehicles	Employees
Bus	500	56,000	163,000
Rapid Rail	14	10,000	47,000
Commuter Rail	9	4,600	21,000
Light Rail	17	1,000	4,000
Elderly and Disabled (Urban & Rural)	4,400	41,000	27,000
Rural Transit	1,100	12,000	13,000
Totals	6,000	124,600	275,000

In some areas, a single transit agency operates more than one mode (e.g., bus and rapid rail)

According to the 1995 report, just maintaining the nation's transit facilities and equipment in their current state of repair to meet projected increases in travel demand requires all levels of government to invest a total of \$7.9 billion each year over the next

20 years. These estimates are important for assessing whether planned transportation investments can meet the nation's need for economic competitiveness, traffic congestion management, access to jobs, and clean air.

This amount of investment is insufficient, however, to improve transit above its current quality of service.

Improving the quality of transit will require an annual investment of \$12.9 billion. Funding at this level would eliminate the current backlog of unmet investment needs and the nation's bus and rail vehicles would be modernized and rehabilitated.

Seats would be guaranteed for most rush hour riders and waiting times for buses and trains would be shorter.

In 1995, investment in transit capital totaled nearly \$6 billion, enough to maintain current conditions, but insufficient to either improve conditions or add service to absorb increased transit travel demand.



Federal Transit Administration FY 1995 and FY 1996 Budgets (\$ thousands)

FTA Funding Category	FY 1995	FY 1996	Percent Change
Formula Grants	2,491,911	2,052,925	-17.6%
Urban Formula Operating	710,000	400,000	-43.7%
Urban Formula Capital	1,589,836	1,491,244	-6.2%
Elderly and Disabled	59,152	51,609	-12.8%
Non-Urban Formula	132,923	110,072	-17.2%
Discretionary Grants	1,724,904	1,665,000	-3.5%
Bus and Bus Related	353,310	333,000	-5.7%
Rail Mod	724,960	666,000	-8.1%
New Starts	646,634	666,000	3.0%
Washington Metro	200,000	200,000	0.0%
Interstate Transfer	48,030	0	-100.0%
Transit Planning & Research	93,079	85,500	-8.1%
University Transportation Centers	6,000	6,000	0.0%
Administration	42,316	39,772	-6.0%
Total	4,606,240	4,049,197	-12.1%

Effects on Urban Areas

Some of the most debilitating cuts in the Federal transit program occurred in Urban Formula Grants, which provide funds for both operating and capital expenses to the 396 urbanized areas in the country. Federal operating assistance to transit systems in these areas fell by 44

percent overall, from \$710 million to \$400 million. Unless states and local governments make up the loss of these funds, it is estimated that over 300 transit systems will have to reduce service or raise fares 10 percent or more. Since state and local transportation agencies increased their share of

all transit funding from 45 percent to 79 percent between 1980 and 1993, it will be difficult for them to come up with additional money for transit. This is particularly true when responsibility for social service programs is being devolved to state and local government, and may increase the probability of more service reductions and fare increases in the future.



Innovative Finance — Expanding Investment Resources

President Clinton has signed an Executive Order directing each Federal agency to encourage private sector investment in infrastructure to promote innovative financing techniques.

In September of 1994, FTA announced its Innovative Financing Initiative and requested grantees to share information about their use of pioneering finance techniques in local transit projects. The Initiative showcased the efforts of transit agencies in multiplying the value of Federal funds through innovative asset management and private sector involvement. FTA received 67 project proposals from 32 states and Puerto Rico representing a value of over \$4 billion, with significant matching of public funds by private sector involvement.

Innovatively financed projects involve many techniques, including

- leasing transit vehicles — which can be more cost effective than a direct purchase;
- joint development of transit facilities which can multiply the commercial activity near transit hubs and bolster the economic well-being of communities;
- state revolving loan funds to facilitate a state vehicle purchase and leasing program, decreasing transportation providers capital costs through pooled purchases and vehicle leasing.

The Innovative Financing projects funded to date have leveraged 2.5 times the Federal investment, showing that the private sector — investors, developers, and the private capital markets — provides an important source of revenue for improved public transportation.



The FY 1996 budget reduced Urban Formula operating support by 25 percent for small urban areas with populations between 50,000 and 200,000 and by 48 percent for areas with population over 200,000. A recent Transportation Research Board study concluded that, in areas over 200,000, in population, transit operators who choose to offset reduced Federal operating assistance with higher fares will have to raise fares by 20 percent to 30 percent over a three-year period. For transit operators in urbanized areas under 200,000 in pop-

ulation, fare increases of 60 percent to 125 percent will be required. Fare increases of this magnitude will cause a decline in ridership of 30 percent to 50 percent.

ers a billion miles each year. This service is vital, especially for non-drivers like the 30 million rural elderly, working poor, and people with disabilities. But Federal transit cuts place this service in jeopardy.

For instance, the nation's 1,100 plus rural transit providers take people to job training programs. Reduced transit funding will either divert job training funds to pay for transportation, or will eliminate transit that job trainees need to become productive participants in the economy. Likewise,

without door to door transit service, many older and disabled residents in rural areas will be forced either into isolation or out of their homes into publicly funded care which is far more expensive than bus trips to the grocery or the doctor's office.

The FY 1996 budget reduced rural transit funding 17 percent, from \$133 million to \$110 million. The results of this cut are predictable: increased fares and reduced service.

Rural travel options will be reduced or eliminated for those unable to drive or afford increased fares. Transit quality will further decline because of proposed human services funding cuts, an important source of funds for rural transportation services.

Effects on Rural Areas

Transit in rural America dramatically improved with increased funding through ISTEA. Ninety million rural Americans now have better access to medical care, groceries, and jobs. Today, rural transit is a notable success story, carrying rid-

Effects on Research and Technology

The FY 1996 budget reduced national research funding for transit by 12 percent, yet Federal transit research has played a key role in maintaining the nation's global competitiveness in developments such as electronic farecards and transit vehicles powered by low-polluting fuels. To sustain this success, the United States must continue devoting resources in this area now to ensure that emerging technologies are developed for markets both domestic and international.

Recent advances in so-called smart transportation technologies promise to transform transit vehicles and service. For example, transit agencies are already using Advanced Public Transportation Systems (APTS) to track

bus locations and collect fares electronically, which gives transit riders more reliable service and reduces operating costs. APTS can provide more accurate, real-time information on bus schedules and routes, allowing passengers to plan their trips with little or no waiting. The Mass Transportation Administration of Maryland reports a 23 percent increase in on-time performance for bus routes using automatic vehicle location. In Winston-Salem, North Carolina, the transit agency has used automatic vehicle location and computer-aided dispatching to reduce dial-a-ride van costs by 9 percent — even as ridership has increased 18 percent.

In partnership with the transit industry, FTA is developing the Advanced Transit Technology Bus (ATTB), a project that will shave over 10,000 pounds off of a typical 30,000 pound bus. Savings from the weight reduction include lower fuel and brake costs as well as less road damage. The low-weight bus also uses advanced materials and a high-efficiency drive system to save fuel, reduce emissions, ease maintenance and provide a longer lasting non-corrosive body.

FTA is also developing a fuel cell bus. This bus has an engine twice as efficient as a typical diesel bus engine with negligible emissions and easier maintenance but none of the range limitations of battery-powered buses. Preliminary test results indicate that emissions from a fleet of 200 fuel cell buses would be equal to those of one conventional diesel bus.

For many people with mobility disabilities, transit is the indispensable lifeline to participation in the economic and social life of their communities.

Federal Cuts Reverberate in Harrisburg, Pennsylvania

The effect of reduced Federal transit funding is already apparent in Harrisburg, Pennsylvania. Within two weeks of the FY 1996 transportation appropriations bill's passage, Harrisburg's Capitol Area Transit System's board of directors convened a special meeting. They had to deal with the 48 percent reduction in Federal operating assistance which left a half-million dollar hole in their annual budget. The board took measures that now are faced by transit agencies nationwide, and raised bus fares 22 percent effective January 1, 1996.

Service Down, Fares Up for Montgomery, Alabama Transit Riders

When the Montgomery Area Transit System (MATS) in Alabama confronted a \$427,961 Federal operating assistance shortfall late in 1995, the bus system's board took prompt action, using over \$200,000 from the city's maintenance department as one-time emergency funding.

But after finding short-term funds to keep the system running, the MATS board still had to pull its belt so tight that there will no longer be mid-day bus service, only two routes will operate on Saturdays, and twenty-three of the agency's employees had their jobs eliminated. And even

as service goes down, fares go up. Passenger fares have been increased 50 cents to \$1.50 and student fares increased a quarter to 75 cents. A two-earner family commuting by bus could pay an additional \$500 per year for their trips to work.



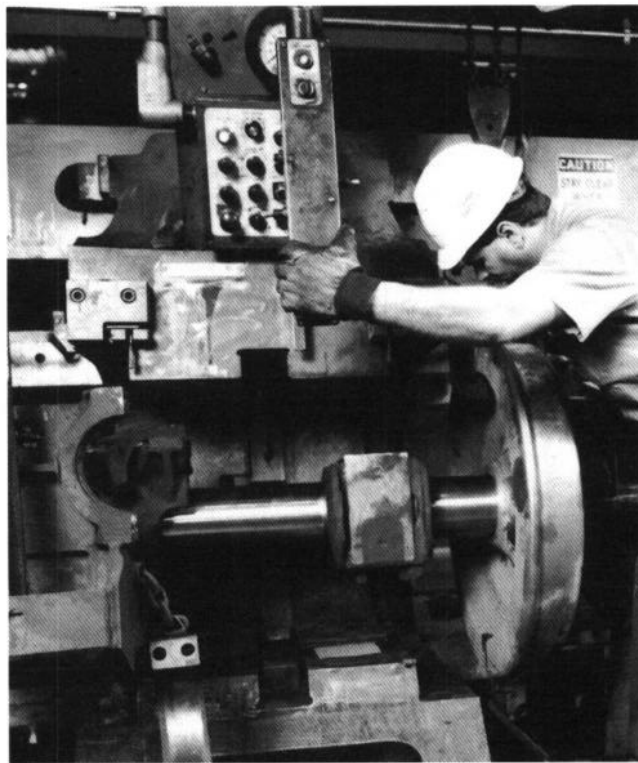
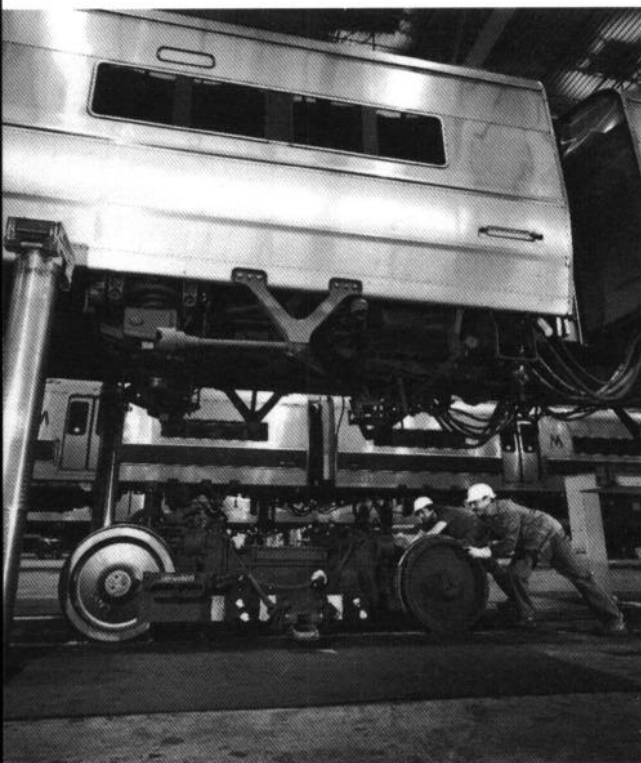
What Federal Administration Transit Funds Buy

FTA capital program funds are used to replace and expand the nation's fleet of buses and rail vehicles, restore and expand bus and rail maintenance and other facilities, and construct new transit lines. Together with

and paratransit vehicles, 2,000 rural buses and 5,300 buses for special services should be replaced each year just to maintain the current average fleet conditions. In addition, 12,800 urban buses and paratransit vehicles, 4,700 rural buses and 11,200 buses for special services are in service past the end of their useful lives.

Rail Vehicles and Facilities.

Federal funding, and local match, supports replacement and rehabilitation of the existing rail fleet and restoration of rail facilities such as stations, track, and yards and shops. Nationally, there are 7,439 miles of track, 2,271 stations, and 119 rail maintenance facilities. About 73 percent of elevated struc-



tures, 41 percent of third rail, and 48 percent of maintenance facilities are in substandard condition, requiring major investment. Recent levels of funding have been just adequate to maintain the status quo of rail vehicles and facilities. Meanwhile, there is a backlog of 3,800 rail cars which are in excess of their useful life.

a non-Federal share of about an equal amount, the Federal capital investment supports about 220,000 jobs.

Buses. Together with local match, Federal funds support the purchase annually of about 5,400 urban buses and paratransit vans, 600 buses for rural transit systems, and 2,000 buses for special services for elderly and disabled persons. The new buses still are not enough to reduce the average age of the fleet. About 6,400 urban buses

Bus Facilities. Federal funds, together with local match, have been sufficient recently to support maintenance of existing bus garages and terminals. However, funding has been insufficient for improvements or construction of new facilities. Nationally, there are 523 urban bus facilities, of which about 32 percent are in fair or poor condition.

Bus and Rail Systems. Federal funds are being used to construct extensions of rapid rail, busways, light rail, and commuter rail across the country (see table right). These projects represent a total Federal investment of \$4.6 billion, and will result in over 80 miles of new rail service which, together with substantial improvements in transit service, will provide about 150 million annual transit trips.



ISTEA and Flexible Funding

Under ISTEA, many Federal assistance dollars that previously were restricted to highway or transit investment alone may now be used flexibly, for either purpose, at the discretion of state and local decision makers. Thus far, state and local officials have elected to use over \$2 billion for transit investment that might otherwise have been restricted to highways. Recognizing the role that transit plays in improving the efficiency of the transportation system, two federal programs—the Congestion Mitigation and Air Quality (CMAQ) Program and the Congestion Pricing Pilot Program—allow capital and operating costs of transit services to be funded from federal highway funds. Local authorities have used this money to improve the safety, security, reliability, convenience, and speed of transit services that commuters depend on to bypass congested highways.

Local Transit Forecasts

To develop the 1995 Conditions and Performance Report, FTA analyzed 120 transportation plans produced by Metropolitan Planning Organizations (MPOs) across the country. The MPOs forecast transit travel growing an average of 2.4 percent per year during the next 20 years, for overall growth of 64 percent.

Federal Transit Administration

New Capital Funding Commitments

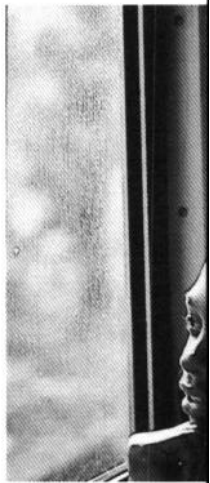
Amount (\$ Million)

Atlanta — MARTA North Line Extension	\$305
Baltimore — Light Rail Extensions	85
Boston — South Boston Piers Transitway (Phase 1)	331
Dallas — South Oak Cliff Light Rail	160
Houston — Regional Bus Plan	500
Los Angeles — Metro Rail Red Line (MOS-3)	1,416
Maryland — MARC Commuter Rail Extension to Frederick	105
New Jersey/Urban Core — Secaucus Transfer Station	444
New York — Queens Subway Connection	306
Pittsburgh — Airport Busway (Phase 1)	121
Portland — Westside Light Rail	590
Salt Lake City — South Light Rail	241
TOTAL	\$4,604



Conclusion

Transit is vital to America's marketplaces — cities where American products and jobs compete in the global economic market. The savings generated by transit take several forms. Residents of the nation's transit-intensive areas already save \$20 billion each year in transportation costs and improved transit would increase these savings. Transit creates access to jobs and keeps people connected to their communities. Across the country, low-cost transit services save tax dollars and promote economic opportunity for the 80 million Americans who do not drive because they are too young, too old, disabled, or cannot afford a car. Better transit would increase the \$30 billion in annual benefits for transit-reliant Americans; benefits which come from the links transit creates to job opportunities, health care, and other essential services, all while lowering public social service costs. Transit is a key to solving traffic gridlock. Strategic investments can lower the cost of highway congestion, adding to the \$15 billion that transit already saves American taxpayers by reducing highway gridlock each year. Taken together, these savings are much larger than what is invested in transit each year by all levels of government.



In short, there could be no better use of our scarce national transportation dollars to improve quality of life and spur economic growth than investing in transit for the 200 million Americans who live in metropolitan areas and 30 million rural Americans who depend on transit. The transportation investment choices we make today will affect the well-being of our country and its citizens for generations to come.



Front and back cover:
by Romare Bearden, *Untitled*

Photo: Peter Hamblin



This Report describes some of the benefits produced by transit in national terms. The table below estimates the value of transit's benefits on a local level for selected urbanized areas and compares them with total transit funding in these areas. In each case, the benefits of transit to the taxpayer far exceed its costs.

Impact of Mass Transit Investments Selected Urbanized Areas

	New York/ No. New Jersey	Chicago
Total Transit Funding (Federal State and Local)	\$4.2 B	\$1.1 B

Benefits of Transit

Congestion Management	\$5.1 B	\$1.1 B
Low Cost Mobility	\$8.5 B	\$2.0 B
Livable Metropolitan Communities	\$6.8 B	\$2.2 B

Philadelphia

San Francisco

Washington D.C.

\$0.6 B

\$1.2 B

\$0.7 B

\$0.5 B

\$0.6 B

\$0.7 B

\$1.1 B

\$1.6 B

\$1.3 B

\$1.1 B

\$0.5 B

\$1.2 B

SOURCE: Federal Transit Administration Analysis

Billions of dollars saved

Number of four-year

Gallons of oil spilled by
Exxon Valdez: **10 million**

Gallons of U.S. auto fuel consumption
saved by transit use each
year: **1,500 million**

Two rail trac

10 million Americans use transit
each working day

each year by Americans who live
in transit-intensive areas: **20**

public college educations that could be
bought with this savings: **555,555**

Transit service is vital for rural America's
30 million non-drivers who are
elderly, working poor, and people
with disabilities.

Percentage of Americans who cannot drive because
of age, disability or low-income: **31**

have the same holding capacity
as **16 lanes of highway**

